

CDBG PROGRAM

MICROENTERPRISE LOAN

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

The Community Development Block Grant Program (CDBG) offers grants to Missouri communities to improve local facilities, address health and safety concerns, and develop a greater capacity for growth. This category promotes small business development by supporting a local loan fund.

AUTHORIZATION

42 USC § 5301 et seq., 24 C.F.R. Part 570; and Missouri's "Consolidated Plan" submitted to the U.S. Department of Housing and Urban Development.

ELIGIBLE APPLICANTS

State CDBG funds are only available to cities or counties in non-entitlement areas (incorporated municipalities under 50,000 and counties under 200,000).

ELIGIBLE USE OF FUNDS

This program gives funds to local governments (or sponsored eligible non-profit organization sub-applicants) to establish a loan program for "microenterprise" assistance. The applicant is encouraged to design the program in a manner to best meet the area's needs. By definition, a "microenterprise" is a business with 5 or fewer employees.

APPLICATION PROCEDURE

Communities interested in applying for grant assistance should complete a CDBG application. This category is on an open, year-round cycle and is based upon availability of funds. Applications are rated on need, project impact, local effort, and past efforts. Applicants must score a minimum of 65 points out of 100 to gain a recommendation for award.

Applicants must meet one of three national objectives to participate in the CDBG program. In the case of the "microenterprise" category, applicants usually meet this requirement by making sure the project beneficiaries are at least 51% low and moderate-income persons, through job creation. Please contact the CDBG office for more information regarding the national objectives.

FUNDING LIMITS

The maximum amount any applicant can apply for is \$100,000 or \$15,000 per job.

SPECIAL PROGRAM REQUIREMENTS

Funding is based on several factors. These include the program design, training component and qualifications, level of local government support, area to be served, organization(s) involved in implementation, and timeframe for implementation.

CONTACT

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ADDITIONAL RESOURCES

Go to the department's home page at www.missouridevelopment.org to obtain guidelines and forms for the CDBG Microenterprise Loan Program as well as information regarding Missouri's many other economic development programs and policies.